Shukla — not present.

श्री महेश्वर सिंह : ऐसे तो प्रश्न काल ही समाप्त हो जाएगा।

*191. *[The Questioner (Shri Chimanbhai Haribhai Shukla) was absent. For answer vide col.....infra.]*

MR. CHAIRMAN: Question No. 192 - Shri Rajubhai A. Parmar. Not present. Shri Sushilkumar Sambhajirao Shinde - not present.

*192. *[The Questioner (Shri Rajubhai A Parmar and Shri Sushil Kumar Sambhajirao Shinde) were absent. For answer vide col.....infra.]*

MR. CHAIRMAN: Question No. 193 - Shri K.M. Khan. He is present.

The Minister of Commerce is lucky.....*(interruptions)*..... just a minute. I am only following the procedure.

Visit of Romanian Delegation

*193. SHRI K.M. KHAN: Will the Minister of COMMERCE be pleased to state:

(a) whether a high powered delegation from Romania visited Inida in recent past;

(b) if so, the details thereof with objectives;

(c) whether this delegation held trade negotiations to evolve strategies for accelerating the two way trade and facilitating bilateral investment;

(d) if so, the details thereof with fields of mutual trade discussed;

(e) whether some agreements have been signed between the two countries in this regard; and

(f) if so, the details thereof and if not, by when these will be signed?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBRAM): (a) to (f) A Statement is laid on the Table of the Houses

Statement

(a) & (b) A Romanian delegation by Mr. Ion Ban, Director of Oceania Division, Ministry of Commer Government of Romania, accompani by a 44 member delegation, paid an official visit to India from 26th February to 10th March, 1995. The members of the delegation were drawn from the Ministries of Transport, Industry and Foreign Affairs apart from the Romanian Central Bank, Commercial Banks and various public and private sector companies of Romania. The purpose of the visit was to increase contacts between Indian and Romanian business and Government entities with a view to boosting the level of bilateral trade and economic cooperation.

(c) and (d) During meetings held with Mr. Ban in the Ministry of Commerce, areas of common interest and of further cooperation between the two countries were identified. These include possibilities of setting up joint ventures in sectors such as oil/petroleum, textile, leather, pharmaceuticals, metallurgical industries; counter-trade between the two countries, liquidation of rupee balances; and allocation of space to India in the Constanta Free Trade Zone for construction of warehouses, etc. The two sides set themselves the target of increasing the level of bilateral trade to US $ 150-200 million annually, by next year.

(e) No agreements were signed at the inter-Governmental level.

(f) No formal inter-Governmental agreements are considered necessary in connection with the visit of the Romanian delegation.

MR. CHAIRMAN: First supplementary.

SHRI K.M. KHAN: Sir, I have no

*†The Question was actually asked on the floor of the House by Shri Viren J. Shah

supplementaries. Honestly speaking, I never thought that my Question would come. That is why I am not prepared.

MR. CHAIRMAN: You must always be prepared in politics.

SHRI P. CHIDAMBARAM: Mr. Chairman, if he does not have the first supplementary, let him put the second supplementary!

SHRI K.M. KHAN: Mr. Chairman, the tobacco industry in Andhra Pradesh is facing a lot of problems because its exports to traditional countries have come to a grinding halt. I would like to know from the hon. Minister the steps the Government proposes to take for creating export opportunities for this industry of Andhra Pradesh.

SHRI P. CHIDAMBARAM: Sir, with great respect I would say this question is not on tobacco, but this question is on Romania and Romania is not a major purchaser of India's tobacco. But, let him put a separate question.....(*Interruptions*).....

SHRI VAYALAR RAVI: Sir, this is a question about Romania which was a part of the socialist world or part of that bloc. So, after the break up of the Soviet Union and the consequent collapse of the Soviet bloc, I believe, our trade has been affected to a great extent. Not only the rupees payment which was there but also everything else has collapsed all of a sudden. So, in this respect, I would like to know from the hon. Minster what are the steps taken by his Ministry to improve our trade relations and also to increase our exports with these nations, not only with Romania but also with other nations including the different republics of the former Soviet Union. Will the Minister be able to explain what steps are being taken to improve our trade relations with and exports to these countries?

SHRI P. CHIDAMBARAM: Sir, we had excellent trade relations with the former U.S.S.R. and with all the countries of what was popularly called the Eastern Block or the Communist countries. After the break up of the U.S.S.R. each of those countries faced serious economic problems. In fact, the figures I saw a few days ago show that the GDP of many of the East European countries may have declined by as much as 20% or 15% in the last two years. In fact, last year had been particularly difficult for them. In these circumstances, we have to show some understanding and we have to go more than half way to find out what ways and means we can adopt to improve our trade with those countries. In fact. the poor performance of the economies of these countries affected us. Our traditional products say, for example, tobacco and tea, are not moving as much as they should have moved to these countries. As far as the Russian Federation is concerned, Members would be happy to know that the Prime Minister of Russia visited us in December, 1994 and signed a protocol. This protocol is for the calendar year 1995 and certain commodities have been identified, certain sums from the debt repayment route has been year-marked for each of these products. We hope that the Russians will be able to adhere to the commitment they have undertaken in the protocol. As far as the other countries are concernaed, Sir, there are bilateral negotiations, bilateral relations, visits by business groups from one country to another, but since trade is now, more or less, in private hands, it is private trade and private industry which will have to forge relations with the new economic entities emerging in these former Communist countries and try to improve trade. Romania, Sir, is one country where we still have difficulties. Our exports to Romania, for example, in 1993-94 was for about 26 million US dollars or about 80 crores of rupees. Unfortunately, during the first the nine months of 1994-95, it has fallen to 6.5 million US dollars which is about 20 crores of rupees.

Sir, that is mainly because of their difficulties. We will try to see what we

can do bilaterally with each of these countries, but I am afraid, it is a long haul, it may take some time before their economies pick up and they are able to do higher level of trade with India.

DR. BIPLAB DASGUPTA: Sir, I agree with the hon. Minister that the nature of the relationship between India and the Eastern countries, the so-called Eastern Bloc countries, cannot be like what it was before, that is quite understood. But, still I would like to revive the old question about the New Internatiional Economic Order.

Sir, you will recall that in the '70's and also until the mid-80's there was a persistent demand of the third world countries that the world trade structure should be changed and it should not be allowed to be dominated by the Western countries and there should be a parity in the prices between the agricultural and industrial goods. Because domination of the multi-national companies infringes the sovereignty of many countries this should not be permitted. You may recall that the Group-77 was formed in those days, whose membership exceeded 77, laid down very very important rules for negotiation with the developed countries in getting certain trade concessions. Now, the Soviet Union is no more. I would like to know whether the Indian Government is seriously thinking in terms of setting up a similar kind of a trade bloc within the WTO so that the countries which were socialist earlier may be China also joins WTO later and we can tie up with them— and also countries in South Asia, South East Asia, Africa and Latin America to vigorously negotiate with the Western countries and not to allow them dictate their terms through WTO may I know whether any attempt is being made by the Government in this respect.

SHRI P. CHIDAMBARAM: Sir, trade blocs are a serious matter. I do not think one can very easily make any statement about forming new trade blocs. In fact, trade blocs are, to some extent inconsistent with the WTO and tew trade blocs would have to be GATT-consistent. Some trade blocs work against us. Some trade blocs set up tariff and non-tariff barriers which hurt our interests. In such a scenario, one cannot walk very easily into a rather tempting idea of a trade bloc. Take for exlample, SAPTA. SAPTA is not a trade bloc. It is a preferential trading arrangement. But, the hon. Members know the difficulties we have with operationalising the SAPTA. Although this agreement was concluded sometime in 1993, it has not taken off the ground yet because of the reservations expressed by one or two countries. For example, today there is a meeting in Islamabad on whether we can take the SAPTA forward. There is a meeting going on a Mauritius now on the Indian Ocean Rim which again is likely to emerge-I want to use the words very carefully— 'likely to emerge' over a course of time, as some kind of a preferential trading arrangement, I am not convinced that working towards a trade bloc would be good for India. We should work for opportunities in preferential trading arrangements. We should negotiate bilaterally with countries where we have trade opportunities. The Asia Pacific region is one area where we have greater trade opportunities. Now, South Africa is a major player and a major market. There is an emerging business market in and around South Africa. Let me see what happens to the SAPTA and to the Indian Ocean Rim idea and then we can see about other preferential trading arrangements.

DR. BIPLAB DASGUPTA: Sir, I think the Minister has misunderstood. When I said 'a trade bloc' I did not actually mean anything like the European Community. No. What I said was that a grouping of countries like Group-77, fighting to protect the interests of the third world countries. However, I think that the the GATT/WTO does not preclude regional customs union, for example NAFTA ASEAN, European Union etc., you can form a customs union with South Asian countries and

that would not be outside the framework of the WTO. That is quite possible. I am not asking that question. I am only asking whether the Government is interested in forming some kind of an alliance if you do not like the word bloc—an alliance of the countries in Eastern Europe to fight for the rights of the third world countries in the WTO.

SHRI P. CHIDAMBARAM: Sir, we would like to do this, but we have to see the reality also. The reality is that the East European countries are looking towards Western Europe and they wish to become members of the European Community. It is no as though unilaterally we can decide to form any kind of an arrangement with the East European countries when their orientation and their outlook are towards Western Europe.

I think for such preferential trading arrangement the best opportunities lie to our east and to our west, which is the Asian region and the African region. These are the areas where we can operationalise the SAPTA, explore opportunities in the Indian Ocean and perhaps explore opportunities with ASEAN and APEC. But these are not things which are going to hapen overnight or immediately. We should proceed cautiously because they will welcome us only if they see a commercial or business advantage with India being a member of their organisation. I also think, and I should say this, that the larger interests would be served not by these preferential trading arrangements or Customs unions-indeed it will serve some interest—but our larger interests in the long run will be served by strengthening the WTO and asking all countries to play their role in the WTO.

SHRI S.K.T. RAMACHANDRAN: Sir, my supplementary is going out of...(*Interruptions*)...I wish to confine myself to the question of tobacco.

MR. CHAIRMAN: But the question is about the bilateral trade with Romania...(*Interruptions*)...

SHRI S.K.T. RAMACHANDRAN: Then, Sir, I will confine myself to Romania. Sir, I would like to know that the volume to export to Romania is before and after such negotiations and agreements. What is the volume of trade that is expected to enlarge within India and Romania?

SHRI P. CHIDAMBARAM: Sir, I have given these figures and I shall give them again. These figures are about the export of India to Romania during the last 8 years and I am taking only the principal commodities. In 1987-88, it was 47 million dollars, in 1988-89 it was 26 million dollars in 1989-90 it was 74 million dollars, in 1990-91, it was 63 million dollars in 1991-92, it was 12 million dollars, in 1992-93, it was 8 million dollars in 1993-94, it was 26 million dollars and in the first nine months of 1994-95, i.e. upto December 1994 it was only 6.5 million dollars. These figures indicate that the Romanian economy is under tremendous pressure and dfifficulty. There is not any likeihood of any sharp upsurge in our exports or any sharp upsurge in our imports. Unless their economy stabilises and gains strength and they are able to export and import more, I do not visualise any major changes immediately.

As far as our target is concerned, we would like it to be reach 150 to 200 million dollars over the next two years. There has been no agreement signed with Romania. There is an Indo-Romanian Joint Commission and the next meeting of this Joint Commission will be held some time in May or June in Romania. We will see as as to what we can do in this Joint Commission. In the mean time during the visit of Mr. Barn, Director of Oceania—Asian Division—he brought a delegation with him and they visited Delhi and Bombay and had discussions with a large number of Indian businessmen I am sure these business-to-business contacts will improve

the prospects of trade between India and Romania.

SHRI S.K.T. RAMACHANDRAN: I wanted to know the volume of trade...*(Interruptions)*...

SHRI P. CHIDAMBARAM: I have given it...*(Interruptions)*...

SHRI G.G. SWELL: I can see that the Minister felt relieved that the question was widened to include former European bloc, the WTO, APEC, SAPTA and everything else so that he could indulge in a little bit of peroration. Now, I would like to know two things. Firstly, what according to him is the special potential importance of Romania because it should feature as a question in this House? Normally, the visits of foreign delegations do not feature as a question in the House. In the case of Romania it was accepted. What is the special potential importance? Number two, sir, he was waxing eloquent about the visit of the Russian Prime Minister and the new trend of trade with the Russian Federation. Is he aware that the economic conditions in Russia are such today that this whole things may become a non-starter? Today, the policemen in Russia do not have the money even to buy petrol, for the police cars and the telephones do not work. What do you expect from Russia?

MR. CHAIRMAN: It gives everybody the opportunity to answer the question.

SHRI P. CHIDAMBARAM: I am obbiged to answer any question you in your discretion and wisdom decide should be answered on the floor of the House.

MR. CHAIRMAN: Then you need not answer this.

SHRI P. CHIDAMBARAM: The special feature is that it is being put by an hon. Member of the House and the question is admitted as a starred Question by the honourable Chairman of the House. Sir, Romania today might appear to be a small trading partner but you must recognise Romania is a small and stable country, which is very in natural resources, particularly oil, natural gas, coal, bauxite, manganese and other mineral deposits. It is in our long term interest to continue and maintain good relations with these countries because in the long run we will benefit. As far as Russia is concerned whatever Russia's difficulty might be I wish Russia well it may be true that they may have some difficulties today, but we wish they will over come the difficulties and then we will re-establish excellent trade, political and business relations with Russia and India. The fact they they are going threugh some difficulties today does not mean that we should turn our backs upon them.

SHRI V. NARAYANASAMY: As the hon. Minister has rightly put it, after the collapse of the Russian economy, there is inflation in Romania, Bulgaria and other East European countries. Inflation is to the extent of more than 400 per cent. Apart from that there is also a kind of scarcity of consumer goods in those countries. Sir, the hon. Minister has said that a foreign delegation was here. I would like to submit to the hon. Minister that our hon. President of India visited Romania and Bulgaria in 1994. In Romania, the doyens of industry from India also accompanied the hon. President. Sir, some joint ventures have been signed by the industrialists from India for setting up a joing venture in Romania. Sir, I found that there is potential for increasing trade with Romania by our country because our consumer goods are very much needed there. Sir, the hon. Minister also identified some of the items which are very much in demand in Romania. Sir, I would like to know from the hon. Minister, apart from the area which has been ear-marked for the purpose of export from India, what the items identified for import from Romania are. As the hon. Minister has said in general terms, I would like to know from the hon. Minister whether, for import of petroleum products which are very much in demand, we can utilise the inflationary

trend that is prevailing in Romania for export of items from India like consumer goods and get items which are abundantly available as the hon. Minister has said. I would like to know whether there is any kind of settlement or an agreement arrived at even without anything in writing, in the course of negotiations.

SHRI P. CHIDAMBARAM: Sir, in the past, India's principal imports from Romania have been fertilizers, artificial resins and plastic material, some newsprint, iron and steel, electrical machinery, machine tools and transport equipment.

The volume of trade is not high. In the last eight years, the volume of trade has ranged between a low of about 25 million dollars and a high of about 64 million dollars. The volume is not high.

As I said Romania is a small country with a stable population and rich in a large number of natural resources. I have the list. It is in these areas that we think that good relations with Romania would help us in increasing the imports of some of these things from Romania.

As far as the business delegation which visited Romania is concerned, this was under the auspices of the Indo-Romanian Joint Business Council. The last meeting was held on 10th January, 1994. It has identified a large number of areas for co-operation in trade and investment. As of today, there are 14 Indo-Romanian Joint collaborations. These are in the fields of oilfield drilling, thermal power plants, etc.

I am told that a large number of small Indo-Romanian Joint ventures are also operating in Romania. These are funded by NRIs. There is considerable scope for co-operation between the two countries in areas such as oil and petroleum products, chemicals textiles, leather industries, metal works and steel works.

व्यापारिक फर्मों पर भविष्य निधि की बकाया राशि

194. **श्री मोहम्मद अफजल उर्फ मीम अफजल:** क्या श्रम मंत्री 2 मई, 1994 को राज्य सभा में अतारांकित प्रश्न 5340 के दिये गये उत्तर को देखेंगे और यह बताने की कृपा करेंगे कि:

(क) इन फर्मों की ओर बकाया राशि को वसूल करने के लिए अब क्या कार्रवाई की गई है;

(ख) इन फर्मों की ओर यह राशि कितने वर्षों से बकाया है; और

(ग) इन फर्मों द्वारा यह राशि जमा न किए जाने से कितने कर्मचारी प्रभावित हुए और इस संबंध में अलग-अलग ब्यौरा क्या है?

THE MINISTER OF LABOUR (SHRI P.A. SANGMA): (a) to (c) A Statement is laid on the Table of the House.

STATEMENT

Outstanding dues of PF from trading firms

S. No.	Name of the establishment	Action taken	The period to which dues pertain	No. of employees involved
1.	M/s Laxmi Chand Bhagagi (Gujarat)	The EPF dues determined and revenue recovery certificate issued in 1988. Damages have also been levied. A sum of Rs. 1.09 Lakh has been recovered. Recovery action could not be completed because the establishment is under closure/liquidation.	December 1987 to August 1988	400
2.	Kamdhenu Mercantile & Co. (R.O. Maharashtra)	Dues determined and revenue recovery certificate issued. A case under the IPC has been filed. A prosecution case under Section 14 of the EPF & MP Act, 1952 has also been launched for default in the payment of EPF dues.	May, 1992 onwards.	130